

## RESOLUTION NO. 08-08

### **RESOLUTION OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK AUTHORIZING THE SALE AND ISSUANCE OF NOT TO EXCEED \$10,000,000 CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK VARIABLE RATE DEMAND INDUSTRIAL DEVELOPMENT REVENUE BONDS (PRINSCO, INC. PROJECT), SERIES 2008 FOR THE ACQUISITION, REHABILITATION, INSTALLATION AND EQUIPPING OF CERTAIN PROPERTY AND FACILITIES, PROVIDING THE TERMS AND CONDITIONS FOR THE SALE AND ISSUANCE OF SAID BONDS AND OTHER MATTERS RELATING THERETO AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS HEREIN SPECIFIED**

WHEREAS, the California Infrastructure and Economic Development Bank (the "Issuer") was established pursuant to the Bergeson-Peace Infrastructure and Economic Development Bank Act (California Government Code Section 63000 et seq.), as now in effect and as it may be amended or supplemented (the "Act"), for the purpose of, among other things, providing financial assistance for the design, construction, financing and development of economic development facilities (as such term is defined in the Act) located in the State of California (the "State");

WHEREAS, Issuer is authorized to issue tax-exempt and taxable revenue bonds to provide financing for economic development facilities pursuant to the Act;

WHEREAS, Prinsco, Inc., a Minnesota corporation (the "Applicant"), has submitted, and the Issuer has accepted, an application requesting the Issuer to issue and sell its industrial development revenue bonds pursuant to the provisions of the Act for the purpose of providing long-term financing for (1) the acquisition, improvement and rehabilitation of the real property and improvements located at 2839 South Cherry Avenue, Fresno, California 93706, consisting of an approximately ten acre parcel of land and an approximately 40,000 square foot building (the "Property"), (2) the acquisition and installation of manufacturing equipment and other tangible personal property at the Property (the "Equipment" and, together with the Property, the "Project") and (3) the payment of certain costs of issuance and credit enhancement costs in connection with the hereinafter referred to bonds proposed to be issued by the Issuer, constituting an economic development facility under the Act for the Applicant or a related or successor entity (collectively, the "Borrower");

WHEREAS, the Executive Director of the Issuer, pursuant to a designation by the Board of Directors of the Issuer, executed Certificate No. C-07-0004 on September 27, 2007, expressing the Issuer's intention to issue industrial development bonds for the benefit of the Borrower for the purpose of financing the Project;

WHEREAS, the Borrower will use the Project for the manufacture and distribution of polyethylene drainage pipes and/or for the production of other tangible personal property; and

WHEREAS, for the purposes of financing a portion of the cost of the Project, the Issuer now desires (a) to authorize the issuance of its Variable Rate Demand Industrial Development Revenue Bonds (Prinsco, Inc.), Series 2008 in an aggregate principal amount not to exceed \$10,000,000 (the "Bonds"), (b) to provide for the sale of the Bonds, (c) to provide for the payment of the principal of, premium, if any, and interest on the Bonds with revenues derived from the loan of proceeds of the sale of the Bonds (except for any amount representing accrued interest on the Bonds) to the Borrower to finance the costs of the Project pursuant to the terms and provisions of a loan agreement and (d) to take and authorize certain other actions in connection with the foregoing; and

WHEREAS, the Issuer may not issue the Bonds to finance the Project until the Board of Directors of the Issuer makes certain determinations relating to the Project as required by the Act; and

WHEREAS, there is now on file with the Secretary of the Issuer the following:

(a) a proposed form of the Loan Agreement (the "Loan Agreement"), to be entered into by and between the Issuer and the Borrower;

(b) a proposed form of the Indenture of Trust (the "Indenture"), to be entered into between the Issuer and The Bank of New York Trust Company, N.A., as trustee (the "Trustee"), providing for the authorization and issuance of the Bonds to be dated the date of delivery thereof;

(c) a proposed form of the Purchase Contract (the "Purchase Contract"), to be entered into by and among the Issuer, the Treasurer of the State of California and Banc of America Securities LLC (or a related entity), as underwriter (the "Underwriter"), and approved by the Borrower; and

(d) a proposed form of the Official Statement (the "Official Statement") to be used by the Underwriter in connection with the sale of the Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the California Infrastructure and Economic Development Bank, as follows:

**Section 1.** The form of the Loan Agreement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Loan Agreement, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Issuer further authorizes and approves the loan of the proceeds of the Bonds (except any amount representing accrued interest on the Bonds) to the Borrower in order to finance a portion of the cost of the Project pursuant to the terms and provisions of the Loan Agreement.

**Section 2.** The form of the Indenture on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized and empowered to execute by



manual or facsimile signature and deliver to the Trustee the Indenture, and the Secretary of the Issuer is authorized to attest thereto, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

**Section 3.** The form of the Purchase Contract on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized and empowered to execute by manual or facsimile signature and deliver the Purchase Contract, with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof.

**Section 4.** The form of the Official Statement on file with the Secretary of the Issuer is hereby approved and the Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized and empowered to execute the Official Statement with such changes and insertions therein as may be necessary to cause the same to carry out the intent of this Resolution and as are approved by counsel to the Issuer, such approval to be conclusively evidenced by the delivery thereof. The Underwriter is hereby authorized to distribute copies of the Official Statement in connection with the sale of the Bonds.

**Section 5.** The Issuer approves the issuance of not to exceed \$10,000,000 aggregate principal amount of the Bonds for the Project in accordance with the terms of and to be secured by the Indenture. Payment of the principal of, premium, if any, and the interest on, the Bonds shall be made solely from the revenues to be received by the Issuer pursuant to the Loan Agreement and the Indenture, and said Bonds shall not be deemed to constitute a debt or liability of the Issuer or the State. The Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized and directed to execute, in the name and on behalf of the Issuer, by manual or facsimile signature, the Bonds, in an aggregate principal amount not to exceed \$10,000,000, in accordance with the Indenture and in the form set forth in the Indenture. The Bonds shall bear interest at the rates to be determined in accordance with the Indenture. In no event shall the rate of interest on the Bonds exceed 12% per annum or the maximum rate permitted by law whichever is lower.

**Section 6.** The Bonds, when so executed, shall be delivered to the Trustee for authentication by the Trustee. The Trustee is hereby requested and directed to authenticate and register the Bonds so delivered by executing the appropriate Certificate of Authentication and Registration appearing thereon, and to deliver the Bonds, when duly executed, authenticated and registered, to the Underwriter in accordance with written instructions executed on behalf of the Issuer by the Chair of the Issuer or the Chair's designee or the Executive Director of the Issuer which instructions said official is hereby authorized and directed, for and in the name of and on behalf of the Issuer, to execute and to deliver to the Trustee. Such instructions shall provide for the delivery of the Bonds to the Underwriter upon payment of the purchase price therefor.

**Section 7.** Based upon representations made by the Borrower, the Board of Directors of the Issuer hereby finds and determines:

- (a) that the Project is located in the State;
- (b) that based upon the requirement that the Bonds will be secured by a direct-pay, irrevocable letter of credit and rated in one of the three highest rating categories by Moody's Investors Service, Fitch Ratings or Standard & Poor's Ratings Services, without regard to numerical or other qualifiers, the Borrower is capable of meeting its obligations with respect to the Bonds to be issued for the Project;
- (c) that the payments to the Issuer are adequate to pay all expenses of the Issuer in connection with the issuance and payment of the Bonds;
- (d) that the issuance of the Bonds is an appropriate financing mechanism for the Project;
- (e) that the Project is consistent with any existing local or regional comprehensive plans; and
- (f) the Project demonstrates clear evidence of a defined public benefit.

**Section 8.** The Chair of the Issuer or the Chair's designee and the Executive Director of the Issuer, and each of them, acting alone, is hereby authorized to execute all documents, certificates and instruments necessary or appropriate to this transaction and the issuance of the Bonds, including, without limitation, a tax regulatory agreement and no arbitrage certificate.

**Section 10.** All actions heretofore taken by the officials of the Issuer with respect to the approval, issuance and sale of the Bonds are hereby approved, confirmed and ratified, and the officials of the Issuer and their authorized designees, deputies and agents are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all certificates and documents which they or bond counsel may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Bonds and otherwise to effectuate the purposes of this Resolution.

**Section 11.** This Resolution shall take effect from and after its adoption.


PASSED, APPROVED, AND ADOPTED at a meeting of the California Infrastructure and Economic Development Bank on April 22, 2008, by the following vote:

AYES: Matteucci, Rosenstiel, Arnold, Saragosa, Rice


NOES: None

ABSENT: None

ABSTAIN: None

By   
Stanton C. Hazelroth, Executive Director

Attest:

By   
Roma Cristia-Plant, Secretary